

## BUILDING BLOCKS FOR EFFECTIVE HOUSING ELEMENTS



Welcome to the Department's newest technical assistance resource to assist local governments in adopting housing elements that effectively address housing needs, the specific requirements of State law and in furtherance of local goals and objectives. The Department is committed to working in partnership with local governments and the public and private sectors in addressing California's continuing housing crisis.

### Getting Started

Last Updated 5/6/2010

An effective housing element provides the necessary conditions for developing and preserving an adequate supply of housing, including housing affordable to seniors, families and workers. As the housing element is required to be regularly revised pursuant to a statutory schedule, the update process provides a vehicle for establishing and updating housing and land-use strategies reflective of changing needs, resources, and conditions. For example, the housing element update can provide a mechanism to adopt new efficient land-use strategies such as infill, mixed-use, or downtown revitalization. It can also provide a vehicle for local governments to adopt housing and land-use strategies to address climate change and the reduction of green house gas emissions. Most of the housing and land-use strategies adopted by local governments to meet their existing and projected housing needs also serve to effectively address climate change concerns. For example, promoting higher density, infill housing for low-income workers and housing along transit corridors also can significantly contribute to reductions in green house gas emissions.

As local governments begin the process to update their housing elements, keep the following in mind:

- Start with the existing plan. The update should build on what has been effective in the past.
- Immediately engage all critical stakeholders in the community including residents, special needs populations, businesses, and real estate and housing providers.
- While the housing element must address specific State statutory requirements, it is ultimately a local plan and should reflect the vision and priorities of the community.

## OVERVIEW OF HOUSING ELEMENT LAW



State law requires each city and county to adopt a general plan containing at least seven elements including housing. Unlike the other mandatory general plan elements, the housing element, required to be updated approximately every five years, is subject to detailed statutory requirements and mandatory review by a State agency (Department of Housing and Community Development). Housing elements have been mandatory portions of general plans since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and that cooperation between government and the private sector is critical to attainment of the State's housing goals. The regulation of the housing supply through planning and zoning powers affects the State's ability to achieve its housing goal of "decent housing and a suitable living environment for every California family" and is critical to the State's long-term economic competitiveness.

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the regional housing need. Housing element law is the State's primary market-based strategy to increase housing supply, choice, and affordability. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

The housing element process begins with the Department allocating a region's share of the statewide housing need to Councils of Governments (COG) based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. The COG develops a Regional Housing Need Plan (RHNP) allocating the region's share of the statewide need to the cities and counties within the region. The RHNP is required to promote the following objectives to:

- 1. increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner;
- 2. promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
- 3. promote an improved intraregional relationship between jobs and housing.

Housing element law recognizes the most critical decisions regarding housing development occur at the local level within the context of the periodically updated general plan. The RHNP component of the general plan requires local governments to balance the need for growth, including the need for additional housing, against other competing local interests. The RHNP process of housing element law promotes the State's interest in encouraging open markets and providing opportunities for the private sector to address the State's housing demand, while leaving the ultimate decision about how and where to plan for growth at the regional and local levels. While land-use planning is fundamentally a local issue, the availability of housing is a matter of statewide importance.

Housing element law requires local governments to be accountable for ensuring projected housing needs can be accommodated. The process maintains local control over where and what type of development should occur in local communities while providing the opportunity for the private sector to meet market demand.

## HOUSING ELEMENTS MATTER

An effective housing element provides the necessary conditions for preserving and producing an adequate supply of affordable housing. Among other things, the housing element provides an inventory of land adequately zoned or planned to be zoned for housing, certainty in permit processing procedures, and a commitment to assist in housing development through regulatory concessions and incentives. In addition, to this fundamental framework, the housing element update process provides a vehicle for establishing and updating housing and land-use strategies reflective of changing needs, resources and conditions. For example, the housing element update process can provide the mechanism to adopt new strategies to promote infill, mixed-use, or downtown revitalization.



The housing element also provides a powerful tool to address the special housing needs of Californians including the homeless, farmworkers and persons with disabilities. The housing element process ensures local governments promote a variety of housing types including multifamily rental units, manufactured housing, transitional and other types of supportive housing. For example, California's Mental Health Services Act

(Proposition 63) provides financial resources to build supportive housing and addresses homelessness for people with mental illness. Housing element requirements to identify and analyze the housing needs of the homeless and extremely low-income households and identify sites and programs to meet those needs can also facilitate local efforts to obtain and effectively use Proposition 63 resources.

The housing element update process also creates opportunities to increase interest in smart growth planning strategies and facilitates the ability of local governments to move from rhetoric to action. The housing element provides both practical and policy tools to promote efficient land-use patterns while meeting critical housing needs. The housing element process provides a vehicle for coordinating infrastructure, housing finance and long-term land-use planning. For example, the housing element is often a coordinating document, providing a schedule for local housing departments to apply for important housing and community development funds. The update process also provides a mechanism to review ordinance, identify outdated policies or modify codes that inhibit housing supply, affordability and choice. Many local governments have established new permit procedures to streamline the approval process for infill or higher density housing during the update of the housing element.

Not only does the housing element update process result in strategies to address local housing needs, it is also frequently the most effective tool to implement broader general plan and regional strategies including California Regional Blueprints or the San Diego Association of Government's (SANDAG) Regional Comprehensive Plan. For example, SANDAG's regional strategy establishes and incentivizes smart growth opportunity areas served by existing or planned high frequency transit. The housing element update process can encourage development on specific sites within these smart growth opportunities areas and complement SANDAG's regional land-use strategy. A compliant housing element also provides jurisdictions in San Diego County with competitive advantage for receipt of SANDAG's TransNet funding.

Finally, the housing element update process can also provide a vehicle for local governments to adopt housing and land-use strategies to address climate change and the reduction of green house gas emissions. Most of the housing and land-use strategies adopted by local governments to meet their existing and projected housing needs also serve to effectively address climate change concerns. For example, promoting higher density, infill housing for low-income workers and housing along transit corridors also can significantly contribute to reductions in green house gas emissions.

## **A HOUSING NEEDS ASSESSMENT**

**Existing Needs** - The number of households overpaying for housing, living in overcrowded conditions, or with special housing needs (e.g., the elderly, large families, homeless) the number of housing units that need rehabilitation, and assisted affordable units at-risk of converting to market-rate.

**Projected Needs** - The city or county's share of the regional housing need as established in the RHNP prepared by the COG. The allocation establishes the number of new units needed, by income category, to accommodate expected population growth over the planning period of the housing element. The RHNP provides a benchmark for evaluating the adequacy of local zoning and regulatory actions to ensure each local government is providing sufficient appropriately designated land and opportunities for housing development to address population growth and job generation.

## **A SITES INVENTORY AND ANALYSIS**

The element must include a detailed land inventory and analysis including a sites specific inventory listing properties, zoning and general plan designation, size and existing uses; a general analysis of environmental constraints and the availability of infrastructure, and evaluation of the suitability, availability and realistic development capacity of sites to accommodate the jurisdiction's share of the regional housing need by income level. If the analysis does not demonstrate adequate sites, appropriately zoned to meet the jurisdiction's share of the regional housing need, by income level, the element must include a program to provide the needed sites including providing zoning that allows owner-occupied and rental multifamily uses "by-right" with minimum densities and development standards that allow at least 16 units per sites.

## **AN ANALYSIS OF CONSTRAINTS ON HOUSING**

**Governmental and Non-Governmental** - Includes land-use controls, fees and exactions, on- and off-site improvement requirements, building codes and their enforcement, permit and processing procedures, and potential constraints on the development or improvement of housing for persons with disabilities.

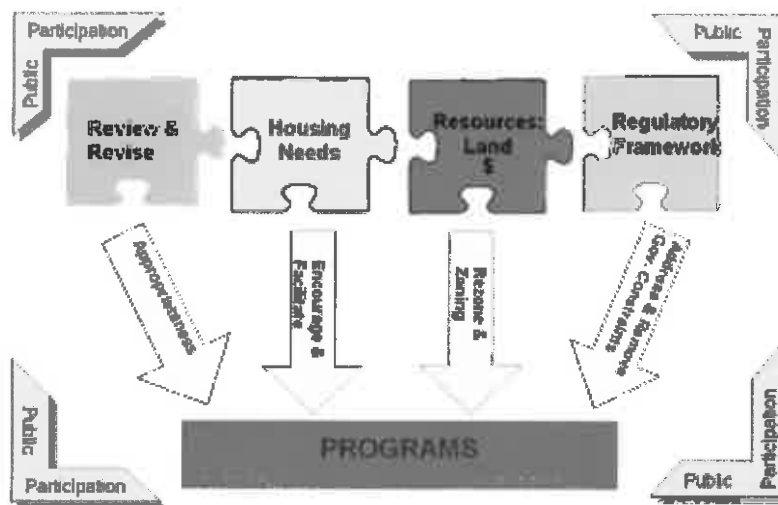
## **QUANTIFIED OBJECTIVES**

Estimates the number of units, by income level, to be constructed, rehabilitated, and conserved over the planning period of the element.

## **HOUSING ELEMENT FRAMEWORK**

The following framework illustrates how the housing element requirements interrelate. Results from each of the four key components of the analysis: review and revise, housing needs, resources, and constraints are reflected in the policies, programs, and objectives found within the 5-year implementation plan. The entire process surrounded by public participation from draft stage to final adoption.

## Housing Element Framework



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### HOUSING ELEMENTS MATTER

An effective housing element provides the necessary conditions for preserving and producing an adequate supply of affordable housing. Among other things, the housing element provides an inventory of land adequately zoned or planned to be zoned for housing, certainty in permit processing procedures, and a commitment to assist in housing development through regulatory concessions and incentives. In addition, to this fundamental framework, the housing element update process provides a vehicle for establishing and updating housing and land-use strategies reflective of changing needs, resources and conditions. For example, the housing element update process can provide the mechanism to adopt new strategies to promote infill, mixed-use, or downtown revitalization.

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## THE UPDATE PROCESS

When updating the housing element, it is important to note the following:

- Use the existing element as base, there is no need to start from scratch. Many of the components of the existing housing element will only require general updates not complete revisions. This also allows the community to effectively consider how the plan contributed to meeting housing demand and needs and what revisions might be necessary to continue or ensure greater success.
- Keep what works – change what doesn't.
- Utilize the Housing Element Worksheet. The HCD housing element worksheet can serve as a checklist for local agencies to ensure all of the requirements of housing element law are addressed. It can also serve to expedite HCD review. Click [here](#) (Housing Element Worksheet) for a copy of the worksheet.
- Utilize technical assistance provided by HCD staff- Contact HPD staff if you have questions through out the process. HCD staff can also provide on-site technical assistance, some demographic/census data, case studies and program

examples, library and research assistance, and implementation workshops. Contact information for current staff can be found by visiting <http://www.hcd.ca.gov/hpd/>.

- Start the public participation process early and maintain effective engagement throughout the revision, adoption and implementation process.

## THE REVIEW PROCESS

Government Code Section 65585 requires local governments to submit copies of their draft and adopted housing elements to the Department for review. The Department will review the draft and report its findings to the jurisdiction. During the review process, HCD review staff will contact the local government to discuss the element and review prior to submitting final findings. After adoption of the element, the jurisdiction is required to submit the adopted element to the Department for review. The following is the timeframes allowed for each review:

**60-day review for a draft element**  
**90-day review for adopted element**

Please note, in the preparation of its findings, the department may consult with any public agency, group, or person and must consider any third party comments regarding the draft or adopted element or amendment under review.

HCD staff also provides technical assistance in developing draft housing elements and, resources and advice in addressing review findings. Department staff will also visit communities and provide assistance in identifying resources to develop and implement the housing element.



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## Housing Needs

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Last Updated 5/6/2010

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the regional housing need. A complete analysis should include a quantification and a descriptive analysis of the specific needs and resources available to address identified needs.

### EXISTING HOUSING NEEDS



### SPECIAL HOUSING NEEDS



### PROJECTED HOUSING NEEDS



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## Existing Housing Needs

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An assessment of existing housing needs includes an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low-income households, an analysis of household characteristics, overpayment, overcrowding, and housing stock conditions, and an analysis of units at-risk of conversion to market-rate.

### Population, Employment, and Housing Characteristics



The element must include a description and analysis of current population trends and employment data including an identification of significant employers, industries and typical wages. In addition, it must also include an analysis of household characteristic such as tenure, growth rate, and trends. [Learn more.](#)

### Overpayment and Overcrowding



The analysis of housing characteristics includes an estimate of the number of households and lower-income households, by tenure, paying more than 30 percent of their income on housing and identifies the number of households, by tenure, in overcrowded housing situations. [Learn more](#)

### Extremely-Low Income Housing Needs



Extremely low-income is a subset of the very low-income and is defined as 30 percent of area median and below. The element must quantify existing and projected extremely low-income households, analyze their housing needs, assess the kind of housing available and suitable for extremely low-income households. [Learn more](#)

### Housing Stock Characteristics



The analysis of housing characteristic must include an estimate of the number of substandard units in need of rehabilitation and/or replacement. This information will assist local governments in developing appropriate housing policies and prioritizing housing resources. [Learn more](#)

### Assisted Housing Developments "At Risk" of Conversion



The element must identify and analyze units at-risk of conversion from affordable to market-rate uses during the next ten years. If units are found to be at-risk, the element must estimate the total cost of replacing and preserving these units and include a list of entities with the capacity to acquire multifamily developments at-risk. The analysis should facilitate programs necessary to address the critical nature of preserving at-risk units. [Learn more](#)

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## Special Housing Needs

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Last Updated 5/8/2010

Special housing needs are those associated with specific demographic or occupational groups which call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with three or more bedroom. A thorough analysis of special needs helps a locality identify groups with the most serious housing needs in order to develop and prioritize responsive programs. The statute specifically requires analysis of the special housing needs of the elderly, the disabled, female-headed households, large families, farmworkers and homeless persons and families.

### Persons with Disabilities



Many individuals with a disability live on a small fixed income, limiting their ability to pay for housing. Individuals with mental, physical, and developmental disabilities need affordable, conveniently-located housing which, where necessary, has been or can be specially adapted to address accessibility issues and with on- or off-site support services including outpatient/inpatient day treatment programs. [Learn more](#)

### Elderly



It is critical that individuals have access to housing which suits their varying needs during each stage of their lives. As people age, they often find themselves facing new or additional housing problems. Senior households often have special housing needs related to physical disabilities/limitations, fixed incomes and health care costs. [Learn more](#)

### Large Families and Female Headed Households



Due to the limited supply of adequately sized units to accommodate larger households, large families often face significant difficulty in locating adequately-sized, affordable housing. Female-headed households generally have lower-incomes and higher living expenses and may lack the resources needed for adequate child care or job training services, often making the search for affordable, decent and safe housing more difficult. [Learn more.](#)

### Farmworkers



Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Farmworkers are generally considered to have special housing needs due to their limited income and the often unstable nature of their employment. In addition, farmworker households tend to have high rates of poverty; live disproportionately in housing which is in the poorest condition; have very high rates of overcrowding; have low homeownership rates; and are predominately members of minority groups. [Learn more](#)

### Families and Persons in Need of Emergency Shelters



Homelessness in California is a continuing and growing crisis affecting almost one in every 100 California residents. According to recent census figures, 26 percent of the nation's homeless individuals and families live in California even though the State is home to only 12 percent of the nation's total population. Homeless individuals and families are without permanent housing largely due to a lack of affordable housing and often compounded by a lack of job training and supportive services related to mental illness, substance abuse or domestic violence. [Learn more](#)

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## Regional Housing Needs Assessment (RHNA)

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Last Updated 5/6/2010

*The element shall contain an analysis of population and employment trends and documentation of projections and quantification of the locality's existing and projected housing needs for all income levels. These projected needs shall include the locality's share of the regional housing need in accordance with Section 65584 (Government Code Section 65583(a)(1)).*

HCD is required to allocate the region's share of the statewide housing need to Councils of Governments (COG) based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. The COG develops a Regional Housing Need Allocation Plan (RHNA-Plan) allocating the region's share of the statewide need to cities and counties within the region. The RHNA-Plan should promote the following objectives:

- increase the housing supply and the mix of housing types, tenure and affordability in all cities and counties within the region in an equitable manner;
- promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
- promote an improved intraregional relationship between jobs and housing.



Housing element law recognizes the most critical decisions regarding housing development occur at the local level within the context of the periodically updated general plan. The RHNA-Plan component of the general plan requires local governments to balance the need for growth, including the need for additional housing, against other competing local interests. The RHNA-Plan process of housing element law promotes the state's interest in encouraging open markets and providing opportunities for the private sector to address the State's housing demand, while leaving the ultimate decision about how and where to plan for growth at the regional and local levels. The process maintains local control over where and what type of development should occur in local communities while providing the opportunity for the private sector to meet market demand. While land-use planning is fundamentally a local issue, the availability of housing is a matter of statewide importance. The RHNA-Plan process requires local governments to be accountable for ensuring that projected housing needs can be accommodated and provides a benchmark for evaluating the adequacy of local zoning and regulatory actions to ensure each local government is providing sufficient appropriately designated land and opportunities for housing development to address population growth and job generation.

### REQUISITE ANALYSIS

#### Regional Housing Needs Assessment

Housing element law requires a quantification of each jurisdiction's share of the regional housing need as established in the RHNA-Plan prepared by the COG.

The Regional Housing Need Assessment (RHNA) is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the housing element's statutory planning period. Each locality's RHNA is distributed among four income categories to address the required provision for planning for all income levels. The distributed RHNA should be addressed in the housing element as follows:

#### REGIONAL HOUSING NEED ALLOCATION

Income Category	New Construction Need
Very Low (0-50% of AMI)	
Low (51-80% of AMI)	
Moderate (81-120% of AMI)	
Above Moderate (over 120% of AMI)	
<b>TOTAL UNITS</b>	

#### Jurisdiction RHNA Credit for New Housing Units Since Start Date of RHNA Projection Period

The jurisdiction authorized to permit a particular residential development may take RHNA credit for new units approved, permitted, and/or built since the start date of the RHNA projection period. Information on the RHNA projection period for each region can be found at [http://www.hcd.ca.gov/hpd/hrc/plan/he/he\\_time.htm](http://www.hcd.ca.gov/hpd/hrc/plan/he/he_time.htm)

A jurisdiction may take RHNA credit for units built on sites controlled by an exempt State, Federal, or Tribal Nation entity (e.g. College/University, Military, recognized Tribe) when the local government is the appropriate jurisdiction to report the new units to State Department of Finance when annually completing DOF's housing unit survey. (See section: "Inventory of Land Suitable for Residential Development" under Site Suitability [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_land.php](http://www.hcd.ca.gov/hpd/housing_element2/SIA_land.php))

To credit units affordable to very-low, low-, and moderate-income households toward the RHNA, a jurisdiction must demonstrate the units are affordable based on at least one of the following:

- subsidies, financing or other mechanisms that ensure affordability (e.g., MHP, HOME, or LIHTC financed projects, inclusionary units or RDA requirements);
- actual rents; and
- actual sales prices.

Densities of housing developments do not describe affordability for the purposes of crediting units against the jurisdiction's RHNA. For projects approved but not yet built, the jurisdiction must demonstrate the units can be built within the remaining planning period and demonstrate affordability to very low- or low-income households as follows:

## UNITS APPROVED, PERMITTED, AND/OR BUILT

Project Name	Status Approved/Permitted/Built	Total Units	Units by Income Level				Methodology of Affordability Determination (1) Sales price (2) Rent price (3) Type of Subsidy
			VL	L	M	AM	

## REMAINING NEED BASED ON UNITS BUILT/UNDER CONSTRUCTION

Income Category	A	B	A-B
	New Construction Need	Units Built, Under Construction or Approved	Remaining Need
Very Low (0-50% of AMI)			
Low (51-80% of AMI)			
Moderate (81-120% of AMI)			
Above Moderate (over 120% of AMI)			
TOTAL UNITS			

## SAMPLE ANALYSES

- Highlighted Jurisdiction- City of Richmond

## LINKS

The following links can assist in the preparation of the housing element:

- HCD: Housing Element Update Schedule
- HCD: Official State Income Limits
- Listing of Councils of Governments websites
- California Housing Finance Agency's Current Sales Price Limit Bulletins

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## ◦ Sites Inventory/Analysis

Last Updated 5/6/2010

Government Code Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period.

### Inventory of Land Suitable for Residential Development



The land inventory must identify specific sites suitable for the development of housing within the planning period and that are sufficient to accommodate the jurisdictions share of the regional housing need for all income levels. Land suitable for residential development includes vacant sites zoned for residential use, vacant sites zoned for nonresidential use that allow residential development, underutilized residential sites capable of being developed at a higher density, and sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use. [Learn more.](#)

### Analysis of Sites and Zoning



To analyze the suitability of identified sites, the element must include an estimate of realistic capacity, demonstrate zoning and densities which encourage and facilitate the development of housing for lower-income households, and demonstrate non-vacant sites identified to accommodate the jurisdictions' regional housing need can be realistically developed within the planning period. The analysis must also analyze the suitability of the sites relative to environmental conditions or issues, and include a general description of the public infrastructure necessary to serve housing development. [Learn more.](#)

### Zoning for a Variety of Housing Types



A housing element must demonstrate the availability of sites, with appropriate zoning, to encourage and facilitate a variety of housing types, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters and transitional housing. [Learn more.](#)

## Second Units



In addition to identifying vacant or underutilized land resources, local governments can address a portion of their adequate sites requirement through the provision of second units based on the number of factors including the number of second units developed in the prior planning period, community need and resources and/or incentives available that will encourage the development. [Learn more](#).

## Inventory of Land Suitable for Residential Development

Last Updated 6/21/2012

*Government Code Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

### Requisite Analysis



The purpose of the land inventory is to identify specific sites suitable for residential development in order to compare the local government's regional housing need allocation with its residential development capacity. The inventory will assist in determining whether there are sufficient sites to accommodate the regional housing need in total, and by income category. A thorough sites inventory and analysis will help the locality determine whether program actions must be adopted to "make sites available" with appropriate zoning, development standards, and infrastructure capacity to accommodate the new construction need. Preparing the inventory and accompanying site suitability analysis consists of a two step process. The site suitability and appropriate density statutory tests are addressed on the following page.

### ***Site Inventory:***

The housing element must identify specific sites or parcels that are available for residential development. Land suitable for residential development has characteristics that make the sites appropriate and available for residential use in the planning period. Sites identified that require rezoning may be included in the inventory provided the element includes a program to accomplish the rezoning early within the planning period. Other characteristics to consider when evaluating the appropriateness of sites include physical features (e.g. susceptibility to flooding, slope instability or erosion, or environmental considerations) and location (proximity to transit, job centers, and public or community services). Land suitable for residential development includes all of the following:

- vacant residentially zoned sites;

- vacant non-residentially zoned sites that allow residential development;
- underutilized residentially zoned sites capable of being developed at a higher density or with greater intensity; and
- non-residentially zoned sites that can be redeveloped for, and/or rezoned for, residential use (via program actions).

The inventory can also include sites that are in the process of being made available (i.e., planned) for residential uses via rezones or specific plans, provided the housing element includes a program that commits the local government to completing all necessary administrative and legislative actions early in the planning period.

The inventory must include all of the following:

1. A parcel-specific listing of sites, including the parcel number or other unique reference such as address. Sites identified in the inventory as available to accommodate the regional housing need for above moderate-income households, located in areas not served by public sewer systems, need not be listed on a parcel by parcel basis.
2. The general plan and zoning designations of sites.
3. A description of parcel size; this is important as parcel size can be a key factor in determining development viability, capacity and affordability.
4. A map showing the location of sites. In terms of scale, a jurisdiction's general plan land-use diagram or map is appropriate.
5. A description of existing uses of any non-vacant sites.
6. A general description of any known environmental constraints (see Screen 16).
7. A general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities (see Screen 16).

The following table is an example of a basic inventory of sites.

AVAILABLE LAND INVENTORY SUMMARY								
APN	Zone	Allowable Density	GP Designation	Acres	Realistic Unit Capacity	Existing Use	Infrastructure Capacity	On-site Constraints
041-0042-002	R-3	20-30 du/ac	Multifamily Residential	2.0	40	Vacant	Yes	None
037-0400-027	R-2	10-20 du/ac	Multifamily Residential	0.75	7	Duplex	Increases identified in the CIP	None
038-0100-040	R-1	5-10 du/ac	Single Family Residential	4.5	22	Vacant	Max Capacity	Wetlands can be mitigated
039-	CMU	20 du/ac	Mixed Use	1.5	25	Parking	Yes	Partial

1100-  
039

Commercial

Lot

Floodplain

### ***Site Suitability:***

Preparation of a site suitability analysis is the second step in addressing the adequate sites requirement. In addition to providing a listing of sites, local governments must prepare an analysis that demonstrates which identified sites can accommodate the housing needs, by income level, within the planning period of the element (see following page for descriptions of site constraints analysis, appropriate density, and development capacity requirements).

### ***Housing Sites Controlled by an Exempt Entity (State, Federal, Tribal Nation)***

Sites located on land controlled by exempt entities (e.g. College/University, Military, recognized Tribe) are different from housing capacity planned on sites controlled by local governments. This is because the local government has no control over the planning and decision-making processes of land within another entity's boundary and therefore may not be able to demonstrate "sufficient certainty" that housing development on sites controlled by other entities could occur within the planning period to meet (lessen) the requirement for the local government to identify adequate local sites to meet all of the jurisdiction's RHNA.

The Department recognizes that the development of new housing on exempt entity sites can meet a portion of a local government's housing demand (RHNA). For planned housing on exempt entity sites such as for college/university planned housing, on a case-by-case basis the Department allows RHNA credit when documentation is provided that demonstrates the likelihood that the planned housing can be developed within the current RHNA/housing element cycle. Adequate documentation varies due to differences in the planning processes on land controlled by exempt federal, state or tribal entities (and counties in connection with sites within a city's sphere of influence). The following reflect examples of documentation to help demonstrate the likelihood of housing being developed on sites near but outside the control of a local government:

- agreement with the entity controlling the land that grants the local government authority regarding approving, permitting, certifying occupancy, and/or reporting new units to DOF.
- documentation from the entity controlling the land that demonstrates planned housing has been approved to be built within the current RHNA cycle (note: short or long term housing development budgets or plans typically do not constitute adequate approval as changes can occur).
- data pertaining to project construction and unit affordability by household income category.

### **Helpful Hints**

- The development suitability requirement addressing zoning, density, realistic development capacity, lot size, and existing use(s) must be done on a parcel/site specific basis.
- Local governments should consult with the for- and non-profit development community for the purposes of soliciting information about site and zoning related factors which are useful in helping to reduce development costs.
- For the purpose of mapping small or scattered housing opportunity sites (e.g., sites within a redevelopment project area, along commercial corridors, or within adopted specific plan areas) local governments can use community plan or neighborhood scale maps or aeriels.
- To further assist the development community in selecting potential development sites, a local government could post the inventory on its web site.
- To ensure the inventory remains a viable and useable land-use planning tool throughout the planning period, local governments should prepare periodic updates (e.g., in conjunction it annual general plan progress report).

# Analysis of Sites and Zoning

Last Updated 6/21/2012

## Realistic Development Capacity

*Government Code Section 65583.2(c) requires, as part of the analysis of available sites, a local government to demonstrate the projected residential development capacity of the sites identified in the housing element can realistically be achieved. Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The number of units calculated shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (4) of subdivision (a) of Section 65583.*

### Requisite Analysis



The site inventory analysis must include an estimate of the number of housing units that can be accommodated on each site identified in the land inventory within the planning period in accordance with Government Code 65583.2(c)(1&2). The element must include a description of the methodology used to estimate the realistic capacity. The element should not estimate unit capacity based on the theoretical maximum buildout allowed by the zoning; rather, residential development capacity estimates must consider:

- **All applicable land-use controls and site improvement requirements.**  
The analysis must consider the imposition of any development standards that impact the residential development capacity of the sites identified in the inventory. When establishing realistic unit capacity calculations, the jurisdiction must consider existing development trends as well as the cumulative impact of standards such as maximum lot coverage, height, open space, parking, and FARs.  
  
If a local government has adopted, through regulations or ordinance, minimum density requirements that explicitly prohibit development below the minimum density, the element may establish the housing unit capacity based on the established minimum density.
- **Existing Uses:**  
The inventory must consider the impact of existing development when calculating realistic development capacity. For example, to demonstrate the unit capacity of underutilized sites, the analysis should describe and explain the factors that make developing additional residential units feasible (within the planning period). Consider the following example: A one-acre parcel zoned for 20 dwelling units per acre and developed with a single-family home. The element must demonstrate the local government has a track record of facilitating and supporting the intensification of sites, and describe the incentives the local government offer would offer (through a specific program action) to attract and assist developers.
- **Small Sites (less than one acre):**  
The element should include an analysis demonstrating the estimate of the number of units projected on small sites, is realistic or feasible. The analysis should consider development trends on small sites as well as policies or incentives to facilitate such development. For example, many local governments

provide incentives for lot consolidation. In addition, while it may be possible to build housing on a small lot, the nature and conditions (i.e., development standards) necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units. To utilize small sites to accommodate the jurisdictions share of the regional housing need for lower-income households, the element must consider the impact of constraints associated with small lot development on the ability of a developer to produce housing affordable to lower-income households.

## Helpful Hints

- To support a realistic residential capacity assumption, the element could include a description of the build-out yields of recently constructed residential projects.
- To demonstrate the viability of small lot development to accommodate the local housing need, the element could include a description of the local government's role in facilitating small-lot development (e.g., providing regulatory and/or fiscal incentives, develop and adopt small lot ordinance like the City of Los Angeles (see IV. Links)).
- As applicable, due to local housing needs and available land resources, the element could include a program action that provides for lot consolidation and/or parcel assemblage.
- Local governments should be diligent in preparing their annual reports pursuant to Government Code Section 65400. The project-by-project descriptions and resulting build-out yields would be helpful in formulating a development track record and demonstrating realistic capacity.

## Analysis of Non-vacant and Underutilized Sites

*The inventory sites that have potential for residential developed can include non-vacant and underutilized sites (Section 65583.2(b)(3)). The element must include an explanation of the methodology for determining the realistic buildout potential of these sites within the planning period (Section 65583.2(g)).*

Local governments with limited vacant land resources or with infill and reuse goals may rely on non-vacant and underutilized residential sites to accommodate the regional housing need. Examples include sites with potential for recycling, scattered sites suitable for assembly, publicly-owned surplus land, portions of blighted areas with abandoned or vacant buildings, areas with mixed-used potential, substandard or irregular lots which could be consolidated, and any other suitable underutilized land. Adopting policies to maximize existing land resources by promoting more compact development patterns or reuse of existing buildings also allows a local government to meet other important community objectives to preserve open space or agricultural resources as well as assist in meeting green house gas emission reduction goals.

If the inventory identifies non-vacant sites to address a portion of the regional housing need, the element must describe the additional realistic development potential within the planning period. The analysis must describe the methodology used to establish the development potential considering all of the following: 1) the extent existing uses may constitute an impediment to additional residential development; 2) development trends; 3) market conditions; and 4) availability of regulatory and/or other incentives such as expedited permit processing, and fee waivers or deferrals.

### 1. Existing Uses:

The element must demonstrate non-vacant and/or underutilized sites in the inventory that can be realistically developed with residential uses or more intensive residential uses at densities appropriate to accommodate the regional housing need (by income) within the planning period. The element must describe all existing uses (such as surplus school site, operating business, nursery, etc.) and evaluate the extent these uses would constitute an impediment to new residential development. The condition or age of existing uses and the potential for such uses to be discontinued and replaced with housing (within the planning period) are important factors in determining "realistic" development potential. For example, an analysis might describe an identified site as being developed with a 1960's strip commercial center with few tenants and, therefore, a good candidate for redevelopment, versus a site containing a newly opened retail center that is unlikely going to be available for residential development within the planning period.

2. **Recent Development Trends:**

The inventory analysis should describe recent development and/or redevelopment trends in the community. The element should also include a description of the local government's track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intense residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new program actions) to encourage and facilitate this type of development (e.g., providing incentives to encourage lot consolidation or assemblage to facilitate increased residential development capacity).

3. **Market Conditions:**

Housing market conditions also play a vital role in determining the feasibility or realistic potential of non-vacant sites and/or underutilized sites for residential development. The element should evaluate the impact of local market conditions on redevelopment or reuse strategies. For example, high land and construction costs, combined with a limited supply of available and developable land may indicate conditions "ripe" for more intensive compact and infill development, or redevelopment and reuse.

4. **Availability of Regulatory and/or other Incentives:**

The analysis should describe an existing or planned financial assistance or regulatory concessions or incentives to encourage and facilitate additional or more intense residential development on non-vacant and underutilized sites. Many local governments develop partnerships with prospective developers to assist in making redevelopment/reuse economically feasible. Examples of these incentives include: 1) organizing special marketing events geared towards the development community, 2) posting the sites inventory on the local government's webpage, 3) identifying and targeting specific financial resources, and 4) reducing appropriate development standards.. Absent a track record or development trends to demonstrate the feasibility of a recycling or redevelopment strategy, the housing element should describe existing or planned financial assistance or regulatory relief from development standards that will be provided to encourage and facilitate more intensive residential development on the identified underutilized sites.

## Helpful Hints

To demonstrate and quantify the residential development history of non-vacant and/or underutilized sites, local government could rely on its annual general plan progress reports pursuant to Government Code Section 65400. The project-by-project descriptions and resulting build-out yields could be used to demonstrate a track record for recycling and/or redevelopment of non-vacant and/or underutilized sites.

## Zoning to Accommodate the Development of Housing Affordable to Lower Income Households

*The densities of sites identified in the inventory must be sufficient to encourage and facilitate the development of housing affordable to lower-income households (Section 65583.2(c)(3)(A) &(B).*

## Requisite Analysis

To identify the sites and establish the number of units that can accommodate the local government's share of the regional housing need for lower-income households, the element must include an analysis that demonstrates the identified zone and densities which encourage and facilitate the development of housing for lower-income households. To provide local governments with greater certainty and clarity in evaluating and determining what densities facilitate the development of housing affordable to lower-income households, the statute provides two options:

- The analysis must, at a minimum, describe the following:
  1. market demand and trends;

2. financial feasibility; and
  3. information based on residential project experience within a zone(s) where the densities facilitated the development of housing for lower-income households. Information gathered from local developers, and examples of recent residential projects that provide housing for lower-income households is helpful in establishing the appropriateness of the zone. It is recognized that housing affordable to lower income households requires significant subsidies and financial assistance. However, for the purpose of the adequate sites analysis and the appropriateness of zoning, identifying examples of lower density subsidized housing projects alone, is not sufficient or appropriate to demonstrate the adequacy of a zone and/or density to accommodate the housing affordable to lower-income households. In addition, the analysis of "appropriate zoning" should not include residential buildout projections resulting from the implementation of a jurisdiction's inclusionary program as this tool is not a substitute for addressing the "adequate sites" requirement. For example, most communities have found that inclusionary policies work best when the underlying zoning and development standards act to significantly promote housing affordability, including the provision of higher densities and flexible development standards.
- As an alternative to preparing the analysis described above, Government Code Section 65583.2(c)(3)(B) allows local governments to utilize "default" density standards deemed adequate to meet the "appropriate zoning" test. The purpose is to provide a numerical density standard for local governments, resulting in greater certainty in the housing element review process. Specifically, if a local government has adopted density standards that comply with the population based criteria summarized on the next page, no further analysis is required to establish the adequacy of density standard. The default densities for each jurisdiction in the State can be found in HCD's AB 2348 Technical Assistance paper.

#### DEFAULT DENSITIES APPROPRIATE TO ACCOMMODATE HOUSING FOR LOWER-INCOME HOUSEHOLDS BY REGION

I Incorporated Cities within nonmetropolitan/rural counties (as outlined in either Section I or II) and Nonmetropolitan counties with micropolitan areas (listed below)	II Unincorporated areas in all nonmetropolitan counties not included under I	III Suburban jurisdictions	IV Metropolitan jurisdictions
<p>Nonmetropolitan counties with micropolitan areas include:</p> <p>Del Norte Humboldt Inyo Lassen Lake Mendocino Nevada Tehama Tuolumne</p>	<p>Nonmetropolitan/rural counties as listed below (list excludes those counties including micropolitan areas as outlined in section I)</p> <p>Alpine Amador Calaveras Colusa Glenn Mariposa Modoc Mono Plumas</p>	<p>Jurisdictions (cities/counties) located within a Metropolitan Statistical Area (MSA) with a population of less than 2 million as listed below <b>unless a city</b> has a population of greater than 100,000 in which case it would be considered metropolitan.</p> <p>Butte Fresno Imperial</p>	<p>Jurisdictions (cities/counties) located within a Metropolitan Statistical Area (MSA) with a population of more than 2 million as listed below <b>unless a city</b> has a population of less than 25,000 in which case it would be considered suburban.</p> <p>Alameda Contra Costa El Dorado Los Angeles</p>

	Sierra Siskiyou Trinity	Kern Kings Madera Merced Monterey Napa San Benito San Joaquin San Luis Obispo Santa Barbara Santa Clara Santa Cruz Shasta Solano Sonoma Stanislaus Sutter Tulare Ventura Yuba	Marin Orange Placer Riverside Sacramento San Bernardino San Diego San Francisco San Mateo Yolo
at least 15 du/ac	at least 10 du/ac	at least 20 du/ac	at least 30 du/ac
<b>Metropolitan Statistical Area:</b> Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000			

## Zoning For a Variety of Housing Types

Last Updated 5/6/2010

*Government Code Section 65583 and 65583.2 require the housing element to provide for a variety of housing types including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.*

*The housing element must also identify a zone, or zones, where emergency shelters are a permitted use without discretionary review (Government Code Section 65583(a)(4)) and demonstrate that transitional housing and supportive housing are considered a residential use and subject to only those restrictions that apply to other residential dwellings of the same type in the same zone (Government Code Section 65583(a)(5)).*

Providing development opportunities for a variety of housing types promotes diversity in housing price, style and size, and contributes to neighborhood stability by offering more affordable and move-up homes and accommodating a diverse income mix.

## Requisite Analysis



The housing element must identify and analyze sites with appropriate zoning that will encourage and facilitate a variety of housing types. At a minimum, the analysis must:

1. Identify zoning districts where each of the housing types is permitted.
2. Analyze how development standards and processing requirements facilitate development of each of the housing types.

## Emergency Shelters

Every jurisdiction must identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit (Government Code Section 65583.(a)(4)). The identified zone or zones must include sufficient capacity to accommodate the need for emergency shelter as identified in the housing element, EXCEPT that each jurisdiction must identify a zone or zones to accommodate at least one year-round shelter. Adequate sites can include sites with existing buildings that can be converted to emergency shelters to accommodate the need for emergency shelters.

Shelters may only be subject only to development and management standards that apply to residential or commercial development in the same zone except that local governments may apply written and objective standards that include all of the following:

- maximum number of beds;
- off-street parking based upon demonstrated need;
- size and location of on-site waiting and intake areas;
- provision of on-site management;
- proximity to other shelters;
- length of stay;
- lighting; and
- security during hours when the shelter is open.

Please be aware, if the adopted housing element from the previous cycle (4th cycle) included a program to address the requirements of SB 2 for emergency shelters, and the required timeframe has lapsed, the Department will not be able to find future housing elements in compliance until the required rezoning is complete and the element is amended to reflect that rezoning.

For more information, see HCD's SB 2 Memo

## Transitional and Supportive Housing

The housing element must demonstrate that transitional housing and supportive housing are permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Government Code Section 65583(a)(5)). In other words, transitional housing and supportive housing are permitted in all zones allowing residential uses and are not subject to any restrictions (e.g., occupancy limit) not imposed on similar dwellings (e.g., single family home, apartments) in the same zone in which the transitional housing and supportive housing is located. For example, transitional housing located in

an apartment building in a multifamily zone is permitted in the same manner as an apartment building in the same zone and supportive housing located in a single family home in a single family zone is permitted in the same manner as a single family home in the same zone.

Transitional housing is a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing. A homeless person may live in a transitional apartment for up to two-years while receiving supportive services that enable independent living.

Supportive housing is permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing and lead fuller lives.

For more information, see HCD's SB 2 Memo

### ***Farmworker Housing***

The housing element must include an analysis of farmworker housing needs (Government Code Section 65583(a)(6)) and if the sites inventory does not identify adequate sites to accommodate the housing need for farmworkers the housing element must include a program(s) to provide sufficient sites to accommodate the need for farmworker housing "by-right" (Government Code Section 65583(c)(1)(C)).

To demonstrate the adequacy of identified sites the element should include an analysis demonstrating the jurisdiction's zoning, development standards and processing requirements encourage and facilitate all types of housing for farmworkers (e.g. multifamily, single room occupancy, second units, manufactured homes, migrant centers).

The element should also ensure that local zoning, development standards and permitting processes comply with Health and Safety Code Sections 17021.5 and 17021.6. Section 17021.5 generally requires employee housing for six or fewer persons to be treated as a single-family structure and residential use. No conditional use permit, zoning variance, or other zoning clearance shall be required for this type of employee housing that is not required of a family dwelling of the same type in the same zone. Section 17021.6 generally requires employee housing consisting of not more than 36 beds in group quarters or 12 units or less designed for use by a single family or household to be treated as an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required for this type of employee housing that is not required of any other agricultural activity in the same zone.

### ***Mobilehomes and Factory-Built Housing***

The housing element should demonstrate the jurisdiction's zoning code allows the siting and permit process for manufactured housing in the same manner as a conventional or stick-built structure (Government Code Section 65852.3). Specifically, manufactured homes (mobilehomes) should only be subject to the same development standards which a conventional single-family residential dwelling on the same lot would be subject, including, but not limited to, building setback standards, side and rear yard requirements, standards for enclosures, access, and vehicle parking, aesthetic requirements, and minimum square footage requirements, with the exception of architectural requirements (Government Code Section 65852.3(a)).

The housing element must describe the siting and permit process for manufactured (mobilehomes) and factory-built housing and demonstrate how the community has identified zoning and development standards that will provide opportunities for these housing types. For more information on manufactured housing licensing requirements, regulations, and design standards see HCD's website at <http://www.hcd.ca.gov/codes/mhp/>.

### ***Multifamily Rental Housing***

The element must identify sites with zoning and development standards that will allow and encourage multifamily rental housing opportunities. The analysis should identify zoning that permits multifamily rental development and evaluate whether development standards and permit procedures encourage multifamily opportunities. Further, this analysis should discuss and address any policies that might impede multifamily rental opportunities and assure sufficient and realistic opportunities for development in the planning period.

## ***Single-Room Occupancy (SRO) Units***

An SRO unit usually is small, between 200 to 350 square feet. These units provide a valuable source of affordable housing for individuals and can serve as an entry point into the housing market for formerly homeless people.

Many older SROs have been lost due to deterioration, hotel conversions, and demolition. Therefore, in addition to identifying zoning and development standards that will allow and encourage the construction of new SROs, local governments should consider including program actions in their housing elements that commit to preserving and rehabilitating existing residential hotels and other buildings suitable for SROs. Other implementation actions that would encourage both the development of new SROs and the preservation of existing opportunities include:

- Zoning and permit procedures. The element could include a program action that commits the local government to amending their zoning and building codes, and permitting procedures to facilitate and encourage new SRO construction. A more streamlined entitlement process helps in providing greater predictability in the approval and development of new SROs. In terms of preservation, local governments could include programs to promote the rehabilitation of older (structurally sound) buildings located in appropriate areas, rather than demolition.
- Provide regulatory and fiscal assistance. The element could include a program action that commits the local government to providing funding sources and regulatory relief to assist non-profit developers in constructing and preserving SRO facilities.
- Implement educational programs. Include a program to outreach to neighborhood groups, stakeholders, advocates, and local businesses regarding the advantages of providing opportunities for new construction and preservation of SROs.

## **HELPFUL HINTS**

### ***Definitions applicable to Chapter 633 of Statutes 2007 (SB 2):***

**Emergency Shelter:** Emergency shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

**Supportive Housing:** Housing with no limit on length of stay, that is occupied by the target population and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

**Transitional Housing:** Transitional housing and transitional housing development mean rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.

## **Second Units**

Last Updated 5/6/2010

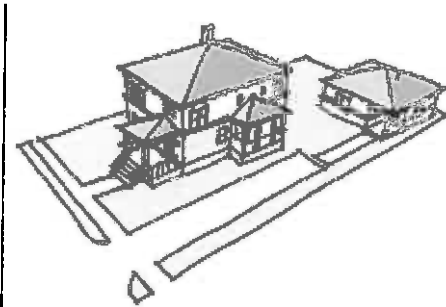
*Government Code Section 65583.1(a) allows a city or county to identify sites for second units based on the number of second units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required.*

## Requisite Analysis

Local governments can employ a variety of development strategies and/or commit to specific program actions to address the adequate sites requirement. As provided in Government Code Section 65583(c)(1)). In addition to identifying vacant or underutilized land resources, local governments can address a portion of their adequate sites requirement through the provision of second units.

To rely on second units as part of an overall adequate sites strategy to accommodate (a portion) of the regional housing need, the element must include an estimate of the potential number of second units to be developed in the planning period based on an analysis that considers the following factors:

1. the number of second units developed in the prior planning period;
2. community need for these types of housing units,
3. the resources and/or incentives available that will encourage the development of second-units; and
4. other relevant factors as determined by HCD.



The projection of second-unit development must be based on realistic capacity and development trends of second units in the previous planning period. In addition, the housing element must describe and analyze factors that could affect second unit development within the planning period. At a minimum, the element should analyze development standards (i.e., heights, setbacks, minimum unit sizes, lot coverage, parking standards, etc.), what zones allow second units (by right), architectural review standards, fees and exactions, and any other components of the ordinance potentially impacting or constraining the development of second units.

**Second-Unit Affordability:** The housing element should also include an analysis of the anticipated affordability of second units. The purpose of this analysis is to determine the housing need by income group that could be accommodated through second-unit development. Second-unit affordability can be determined in a number of ways. As an example, a community could survey existing second units for their rents and include other factors such as square footage, number of bedrooms, amenities, age of the structure and general location. Another method could examine market rates for reasonably comparable rental properties to determine an average price per square foot in the community. This price can be applied to anticipated sizes for second units to estimate the anticipated affordability of second units.

## Frequently Asked Questions About Second Units

- **What Kind of Environmental Review is Required for Second-Units?**

Second-units approved ministerially are statutorily exempt from CEQA pursuant to Section 15268 (Ministerial Projects) of the CEQA guidelines and Section 21080(b)(1) of the Public Resources Code. In addition, second-units can be categorically exempt from CEQA pursuant to Sections 15301 and 15303 of the CEQA guidelines, authority cited under Public Resources Code Section 21083 and 21087.

- **What is Ministerial Review?**

Chapter 1062 requires development applications for second-units to be "...considered ministerially without discretionary review or a hearing..." or, in the case where there is no local ordinance in

compliance with subsections (a) or (c), a local government must "...accept the application and approve or disapprove the application ministerially without discretionary review..." In order for an application to be considered ministerially, the process must apply predictable, objective, fixed, quantifiable and clear standards. These standards must be administratively applied to the application and not subject to discretionary decision-making by a legislative body (for clarification see the definition of ministerial under California Environmental Quality Act (CEQA) Guidelines, (Section 15369).

An application should not be subject to excessively burdensome conditions of approval, should not be subject to a public hearing or public comment and should not be subject to any discretionary decision-making process. There should be no local legislative, quasi-legislative or discretionary consideration of the application, except provisions for authorizing an administrative appeal of a decision

- **How Can a Locality Encourage Second-Units?**

Local governments can encourage second-unit development through a variety of mechanisms.

- Develop information packets to market second-unit construction. A packet could include materials for a second-unit application, explain the application process, and describe incentives to promote their development.
- Advertise second-unit development opportunities to homeowners on the community's web page, at community and senior centers, in community newsletters, and in local utility bills, etc.
- Establish and maintain a second-unit specialist in the current planning division to assist in processing and approving second-units.
- Establish flexible zoning requirements, development standards, processing and fee incentives that facilitate the creation of second-units (Government Code Section 65852.2(g)). Incentives include reduced parking requirements near transit nodes, tandem parking requirements, pre-approved building plans or design prototypes, prioritized processing, fee waivers, fee deferrals, reduced impact fees, reduced water and sewer connection fees, setback reductions and streamlined architectural review. For example, the City of Santa Cruz established pre-approved design prototypes to encourage and stimulate the development of second-units.
- Monitor the effectiveness of ordinances, programs and policies encouraging the creation of second-unit development. Some localities monitor implementation of second-unit strategies through the annual general plan progress report (Government Code Section 65400). Evaluating the effectiveness of a second-unit ordinance can assist the local government in determining appropriate measures to improve usefulness and further facilitate the development of housing affordable to lower- and moderate-income families.

## BUILDING BLOCKS FOR EFFECTIVE HOUSING ELEMENTS



### Constraints

The element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities. The analysis should identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing. The analysis should determine whether local regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs.

### Land-Use Controls



The constraint analysis must identify all relevant land-use controls such as zoning, development standards, and any growth controls and analyze impacts on the cost and supply of housing. An adequate evaluation must assess the cumulative impacts of standards, including whether such requirements impede the ability to achieve maximum allowable densities.

### Fees and Exactions



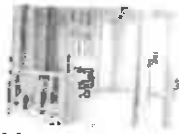
The element must identify permit processing and planning fees and development and impact fees and exactions for impacts on the cost, feasibility, and affordability of housing. The analysis should include an estimate of the average fees for typical multifamily and single-family developments.

### Processing and Permit Procedures



Permit processing requirements must be identified and analyzed for their impacts on housing supply, affordability and development certainty. The element must describe and analyze the types of permits required, by housing type, extent of discretionary review including required approval findings, procedures, and processing time required for residential development by zoning district and housing type.

## **Codes and Enforcement and On/Off-Site Improvement Standards**



The element must describe the building code adoption and enforcement process, including identification of any local amendments to the Uniform Building Code (UBC) and how building code enforcement is carried out by the jurisdiction. The element must also describe and analyze the impact of on- and off-site improvement standards including street widths, curb, gutter, and sidewalk requirements, landscaping, circulation improvement requirements and any generally applicable level of service standards or mitigation thresholds.

## **Constraints-Housing for Persons with Disabilities**



The housing element must identify governmental constraints to the development, improvement and maintenance of housing for persons with disabilities including identifying local efforts to remove any such constraints and identifying procedures for reasonable accommodations for persons with disabilities in zoning.

## **Non-Governmental Constraints**



Although non-governmental constraints are primarily market-driven and generally outside direct local government control, localities can significantly influence and offset the negative impact of non-governmental constraints. The element must analyze the impacts of the cost of land, construction costs, and the availability of financing.

# Land-Use Controls

*Government Code Section 65583(a) requires "An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures..."*

Although local ordinances and policies are enacted to protect the health and safety of citizens and further the general welfare, it is useful to periodically reexamine local ordinances/policies to determine whether, under current conditions, they are accomplishing their intended purpose or if in practice constitute a barrier to the



maintenance,  
levels.

improvement or development of housing for all income

Such an examination may reveal that certain policies have a disproportionate or negative impact on the development of particular housing types (e.g., multifamily) or on housing developed for low- or moderate-income households.

Ordinances, policies or practices which have the effect of excluding housing affordable to low- and moderate-income households may also violate State and federal fair housing laws which prohibit land-use requirements that discriminate or have the effect of discriminating against affordable housing.

The analysis of potential governmental constraints should describe past or current efforts to remove governmental constraints. Where the analyses identifies that constraints exist, the element should include program responses to mitigate the effects of the constraint. Each analysis should use specific objective data, quantified where possible. A determination should be made for each potential constraint as to whether it poses as an actual constraint. The analysis should identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing.

## REQUISITE ANALYSIS

The element should identify all relevant land-use controls, discuss impacts on the cost and supply of housing and evaluate the cumulative impacts of standards, including whether development standards impede the ability to achieve maximum allowable densities. The analysis must also make a determination whether land-use controls constrain the development of multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The types of land-use controls appropriate to analyze will vary from jurisdiction to jurisdiction.

The following is a list of typical development standards which should be identified and analyzed by zoning category:

- density
- parking requirements (including standards for enclosed or covered and guest spaces)
- lot coverage
- height limits
- lot size requirements
- unit size requirements

- floor area ratios
- setbacks
- open space requirements
- growth controls including urban growth boundaries and any moratoria and prohibitions against multifamily housing

In addition, as appropriate, discuss efforts to remove governmental constraints, especially relating to single-room occupancy units, supportive housing, transitional housing, and emergency shelters.

## Sample Tables

The following are sample tables to assist in organizing critical information pertaining to housing element requirements. The information provided in the tables should be tailored to the jurisdiction and followed by appropriate analysis. These sample tables are not intended to be a substitute for addressing the analytical requirements described in the statute.

DEVELOPMENT STANDARDS								
Zone District	Bldg Height	Lot Width	Minimum Yard Setback				Minimum Lot Area (sq. ft.)	Lot Area Per DU (sq. ft.)
			Front	Side	Rear	Front		
								Parking Spaces Per DU
								Minimum Open Space (sq. ft.)

## Parking

Excessive parking standards can pose a significant constraint of housing development by increasing development costs and reducing the potential land availability for project amenities or additional units and are not reflective of actual parking demand. Therefore, the element should include an analysis of the jurisdiction's parking standards by zone. The analysis should examine whether parking standards impede a developer's ability to achieve maximum densities, and if there are provisions in place to provide parking reductions where less need is demonstrated, particularly for persons with disabilities, the elderly, affordable housing, and infill and transit-oriented development. In addition, the jurisdiction should verify that the density bonus ordinance complies with parking requirements per Government Code Section 65915(p):

1. Upon the request of the developer, no city, county, or city and county shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:
  - A. Zero to one bedrooms: one onsite parking space.
  - B. Two to three bedrooms: two onsite parking spaces.
  - C. Four and more bedrooms: two and one-half parking spaces.

2. If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide "onsite parking" through tandem parking or uncovered parking, but not through onstreet parking.
3. This subdivision shall apply to a development that meets the requirements of subdivision (b) but only at the request of the applicant. An applicant may request additional parking incentives or concessions beyond those provided in this section, subject to subdivision (d).

## Height Limits

Limitations on height can constrain a development's ability to achieve maximum densities especially in culmination with other development controls. Height limits of two stories or less in multifamily districts is one example of development standards that can constrain achieving maximum densities.

In addition, the analysis should identify floor area ratios and any underlying development standards for mixed-use districts and evaluate the cumulative effect of development standards such height limits on the ability to achieve maximum permitted densities and the cost and supply of housing.

## Growth Control or Similar Ordinances

Ordinances, policies, procedures, or measures imposed by the local government that specifically limit the amount or timing of residential development should be analyzed as potential governmental constraints and mitigated, where necessary. The analysis will vary depending on the nature of the measure. In general, the measure and its implementation procedures must specifically be described and analyzed for their impact on the cost and supply of housing.

For ordinances which control the number and timing of permits, the element must describe any permit allocation process, allocation timing, specific limits on the number of permits issued per project type, any affordable housing incentives in the allocation process, the method of determining the number of permits to be issued annually and the basis for this determination.

The analysis must also identify and analyze process impacts such as application procedures and requirements (e.g., design review, limits of number of permits or size of project, length of approval, discretionary approval, and how the ordinance operates with rest of the entitlement process, carryovers, and financing of the project).

The analysis should demonstrate how the policy or ordinance accommodates the locality's current RHNA for all income groups. If it does not, the element must include a program to mitigate the impacts of the ordinance and allow accommodation of the total housing need.

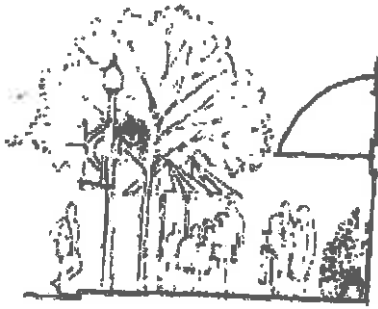
Examples of types of policies or requirements that should be analyzed include:

- systematic (area-wide) residential down-zoning;
- urban limit line, growth boundaries, or perimeter greenbelt;
- annexation restrictions;
- building permit or other residential development caps;
- voter approval for up-zoning, rezoning or general plan changes;
- legislative super-majority for up-zoning, rezoning or general plan changes;
- systematic changes to local height and FAR regulations; and
- adequate public facilities ordinances.

The element should not only demonstrate the jurisdiction can accommodate the RHNA at minimum, but must also analyze the impact of the growth management or controls process and procedure on the cost and affordability of housing. Even if the growth control ordinance allows the community to meet its entire RHNA, the ordinance may still be a constraint that requires mitigation because of increased processing costs or timing delays.

The RHNA should not be considered or treated as a ceiling on the development of housing or as a basis for denying housing applications.

## Form Based Codes



Jurisdictions that have adopted form-based codes should clearly describe and analyze the following to ensure that the code encourages and facilitates residential development:

### Realistic Capacity

- Describe the relationship between General Plan land-use designation and the form-based code. In particular, 1) describe where residential development is allowed; 2) how density requirements found within the General Plan are incorporated; and 3) how the zoning designations under the form-based code relate to the land-use designations of the General Plan.
- The element must describe methodology used to estimate a reasonable residential capacity within the planning period. This methodology should describe density assumptions and consider development standards; buildings types, and use requirements.

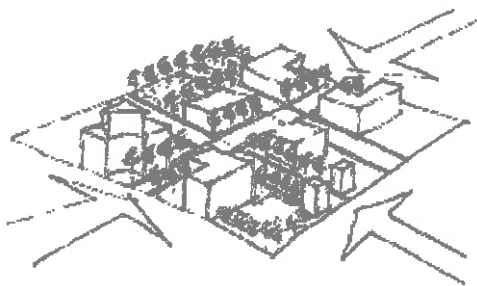
### Certainty for Residential Development

- Describe the type of the form-based code. For example, some codes only apply to specific areas of the jurisdiction, while others completely replace the older versions of the zoning code or are hybrids between the form-based code and older versions of zoning code.
- Describe performance standards or processes required for residential development under the form-based code. For example, the element could describe permitting requirements, decision making standards, and level of review for residential development in zones regulated by form-based codes.
- Describe any competing uses allowed in building types designated for residential use. If there is not some certainty in the development of residential uses on those sites identified in the sites inventory but are encouraged by incentives only, the element should demonstrate development trends and anticipated uses or include additional provisions.

### Zoning Standards Appropriate to Facilitate Residential Development:

- Describe and analyze development standards regulating housing. The analysis must include a description of how the code controls form, bulk, building types, performance standards (e.g., ground floor commercial, 30 percent commercial etc), uses, and any related design criteria.

### HELPFUL HINTS



Contact local affordable and market-rate housing developers to evaluate land-use controls for possible constraints. The local chapter of the Building Industry Association (BIA), Non Profit Housing of Northern California (NPH), the Southern California Association of Non-Profit Housing (SCANPH), and the San Diego Housing Federation can provide information regarding the developers who are active in the region (see IV. links).

In addition, service providers may provide additional insights on the housing needs of the special needs population such as appropriate unit size for single-room occupancy units or senior housing and the types of services necessary for supportive housing.

## Parking

The following are strategies where pricing, supply, and management of motor vehicle parking serving Housing Development near transportation promote economic efficiency.

- Parking is priced to cover the full capital and operating costs of the parking, and paid for separately, rather than bundled with the cost of the housing.
- Provide to residents free transit passes or discounted passes priced at no more than half of retail cost.
- Provide shared-parking between different uses, such as parking that serves housing residents at night and retail customers by day.
- Provide dedicated parking spaces for shared-vehicle only parking.
- Provide for no more than the following maximum parking spaces excluding park-and-ride and transit station replacement parking.

### MAXIMUM PARKING SPACES

Project Location Designation	Bedrooms per Unit	Maximum resident and guest parking spaces per unit
Large City Downtown	0-1	1.0
	2+	1.5
Urban Center	0-1	1.25
	2+	1.75
All Other Areas	0-1	1.5